



Republic of the Philippines  
**Supreme Court**  
 Manila

FIRST DIVISION

**BANGKO SENTRAL NG  
 PILIPINAS AND ITS MONETARY  
 BOARD,**

Petitioners,

- versus -

G.R. No. 196580

**Present:**

PERALTA, C.J., *Chairperson*,  
 CAGUIOA, *Working Chairperson*,  
 REYES, J. JR.,  
 LAZARO-JAVIER, and  
 LOPEZ, JJ.

**BANCO FILIPINO SAVINGS AND  
 MORTGAGE BANK,**

Respondent.

**Promulgated:**

JUN 10 2020

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**DECISION**

**REYES, J. JR., J.:**

This resolves the Petition for Review on *Certiorari*<sup>1</sup> filed by Bangko Sentral ng Pilipinas and its Monetary Board (BSP-MB) under Rule 45 of the 1997 Rules of Court from the November 25, 2010 Decision<sup>2</sup> and April 1, 2011 Resolution<sup>3</sup> of the Court of Appeals (CA) in CA-G.R. SP No. 98734, respectively reversing and setting aside the Orders dated December 4, 2006<sup>4</sup> and March 21, 2007<sup>5</sup> of the Regional Trial Court (RTC) Branch 136 of Makati City in Civil Case Nos. 8108, 9675 and 10183.

<sup>1</sup> *Rollo*, pp. 20-74.

<sup>2</sup> Penned by Associate Justice Elihu A. Ybañez, with Associate Justices Bienvenido L. Reyes (now retired SC Justice) and Priscilla J. Baltazar-Padilla, concurring; *id.* at 77-92.

<sup>3</sup> *Id.* at 95-96.

<sup>4</sup> *Id.* at 819-820 (Vol. II).

<sup>5</sup> *Id.* at 822-823 (Vol. II).

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On different dates, three separate civil actions were filed by respondent Banco Filipino Savings and Mortgage Bank (Banco Filipino) with the RTC of Makati City as follows:

1. Civil Case No. 8108 – filed on August 6, 1984 by Banco Filipino against The Monetary Board, The Central Bank of the Philippines and Jose B. Fernandez, Jr. seeking to annul Resolution No. 955 of the Monetary Board of the then Central Bank of the Philippines (Central Bank), which placed Banco Filipino under conservatorship.
2. Civil Case No. 9675 – filed on February 2, 1985 by Banco Filipino against the Monetary Board, the Central Bank of the Philippines and Jose Fernandez, Jr., Carlota P. Valenzuela, Arnulfo B. Aurellano and Ramon V. Tiaoqui, seeking to annul and set aside Resolution No. 75 of the Monetary Board of the then Central Bank, which ordered the closure of Banco Filipino.
3. Civil Case No. 10183 – filed on June 3, 1985 by Banco Filipino against the Monetary Board, the Central Bank of the Philippines and Jose B. Fernandez, Jr., Carlota P. Valenzuela, Arnulfo B. Aurellano and Ramon Tiaoqui, challenging the validity of the resolution dated March 22, 1985 of the Monetary Board of the then Central Bank, which ordered the liquidation of Banco Filipino.

In the meantime, on February 28, 1985, Banco Filipino filed a petition for *certiorari* and *mandamus* before this Court, docketed as G.R. No 70054, which also sought, among other things, the annulment of Resolution No. 75 of the Monetary Board of the Central Bank.

In a Resolution dated August 29, 1985 in G.R. No. 70054, this Court ordered the consolidation of the aforesaid cases as Civil Case Nos. 8108, 9675 and 10183 with the RTC of Makati City, Branch 136. The consolidated civil cases had, as defendants, the following: The Monetary Board of the Central Bank of the Philippines, Jose B. Fernandez, Jr., Carlota P. Valenzuela, Arnulfo B. Aurellano and Ramon V. Tiaoqui.

On May 29, 1995, Banco Filipino filed with the RTC a Motion to Admit Amended/Supplemental Complaint in Civil Case Nos. 8108, 9675 and 10183. In the attached 134-page Amended/Supplemental Complaint, Banco Filipino claimed actual damages of at least ₱18.8 billion. It also substituted the Central Bank-Board of Liquidators (CB-BOL) for the then Central Bank and its Monetary Board.

On December 7, 1995, the RTC granted Banco Filipino's Motion to Admit Amended/Supplemental Complaint. Thus, by this time, the defendants were: The CB-BOL, Jose B. Fernandez, Jr., and Carlota P. Valenzuela, Arnulfo B. Aurellano and Ramon V. Tiaoqui.

On September 25, 2003, Banco Filipino again filed a Motion to Admit Attached Second Amended/Supplemental Complaint dated September 18, 2003 in the civil cases. It sought to implead petitioners BSP-MB as additional defendants in the consolidated civil cases.

In its Order dated January 27, 2004, the RTC granted the Motion to Admit Attached Second Amended/Supplemental Complaint dated September 18, 2003 over the objections of CB-BOL. Thus, the defendants in these consolidated cases are: the CB-BOL, Jose B. Fernandez, Jr., Carlota P. Valenzuela, Arnulfo B. Aurellano, Ramon V. Tiaoqui and petitioners BSP-MB.

On March 1, 2004, BSP-MB entered their special appearance by filing a Motion to Dismiss the Second Amended/Supplemental Complaint dated September 18, 2003 *Ex-Abundante Ad Cautelam*,<sup>6</sup> on the ground, among others, of prescription of the claims, claims had been waived and lack of jurisdiction over their person for defective service of summons.

On October 1, 2004, the CB-BOL filed a petition for *certiorari* with the CA, docketed as CA-G.R. SP No. 86697, assailing the admission of the Second Amended/Supplemental Complaint by the RTC in its Orders dated January 27, 2004 and July 20, 2004. At the time of the issuance of the RTC's Orders, BSP-MB had not been summoned nor informed of the proceedings of the consolidated civil cases.

On October 5, 2004, BSP-MB filed a Supplemental Motion for Summary Dismissal Based on Forum-Shopping, docketed as Civil Case No. 04-0823, praying that the consolidated civil cases be dismissed. They averred that Banco Filipino committed willful act of forum-shopping when it filed a petition to revive the judgment of this Court in G.R. No. 70054.

On December 13, 2005, BSP-MB filed a Second Supplemental Motion for Summary Dismissal Based on Forum-Shopping with Urgent Motion to Resolve Motion to Dismiss Second Amended/Supplemental Complaint. BSP-MB argued that a coordinate branch of the RTC of Makati City, Branch 56, had already dismissed Civil Case No. 04-1047 on the ground of *litis pendencia* since Civil Case No. 04-1047 and the civil cases before the trial court involved the same parties and the same cause of action. Consequently, the civil cases must also be summarily dismissed on the ground of forum-shopping and Banco Filipino's failure to comply with its undertaking in the certification against forum-shopping.

On January 27, 2006, the CA (17<sup>th</sup> Division) rendered a Decision in CA-G.R. SP No. 86697 dismissing the petition filed by the CB-BOL.

Acting on the BSP-MB's Motion to Dismiss Second Amended/Supplemental Complaint dated September 18, 2003 *Ex-Abundante Ad Cautelum*, Supplemental Motion for Summary Dismissal Based on Forum Shopping and Second Supplemental Motion for Summary Dismissal Based on Forum Shopping, the RTC issued an Order dated June 30, 2006, dismissing Banco Filipino's Second Amended Supplemental Complaint with prejudice as to BSP-MB on the grounds of prescription, estoppel and that the personalities of the then Central Bank and BSP are separate and distinct.

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<sup>6</sup> Id. at 441-486 (Vol. 1).

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Banco Filipino filed a Motion for Reconsideration of the said June 30, 2006 Order but the said Motion was denied in an Order dated September 20, 2006.

Aggrieved, Banco Filipino filed a Notice of Appeal with the RTC, which was disapproved in the Order dated December 4, 2006, pertinent portion of which reads:

Section 1, Rule 41 of the Rules of Civil Procedure provides, *inter alia*, that no appeal may be taken from (a) an order denying a motion for reconsideration and (g) a judgment or final order for or against one or more of several parties or in separate claims, counter claims, cross-claims and third-party complaints, while the main case is pending.

Pursuant to the above-stated legal provision, this court does not allow/approve the instant appeal.

WHEREFORE, the Notice of Appeal is hereby disapproved for lack of merit.

Banco Filipino filed a Motion for Reconsideration, which was subsequently denied in the Order dated March 21, 2007.

Dissatisfied, Banco Filipino filed a Petition for *Certiorari* with the CA (Special 3<sup>rd</sup> Division) ascribing grave abuse of discretion on the part of the RTC when it denied Banco Filipino's Notice of Appeal against BSP-MB.

In a Decision dated November 25, 2010, the CA (Special 3<sup>rd</sup> Division) ruled in favor of Banco Filipino, the dispositive portion of which reads as follows:

**WHEREFORE**, premises considered, the instant petition is hereby **GRANTED** and the Orders dated 04 December 2006 and 21 March 2007 rendered by Branch 136 of the Regional Trial Court of Makati City in Civil Cases Nos. 8108, 9675 and 10183 are **REVERSED** and **SET ASIDE**.<sup>7</sup>

The CA (Special 3<sup>rd</sup> Division) ruled that the order of dismissal of the case against BSP-MB is a final order and consequently, the proper subject of appeal. The CA also pointed out that another co-equal Court (CA, 17th Division) had already rendered a Decision<sup>8</sup> dated January 27, 2006 in CA-G.R. SP. No. 86697 affirming the RTC Orders allowing the admission of Banco Filipino's Second Amended/Supplemental Complaint. In view of the doctrine of judicial stability or non-interference, the CA (Special 3<sup>rd</sup> Division) cannot issue a ruling which would directly affect the propriety of the admission of said Second Amended/Supplemental Complaint. Hence, it is not proper for the CA (Special 3<sup>rd</sup> Division) to sustain the RTC's order dismissing Banco Filipino's Notice of Appeal.

<sup>7</sup> Id. at 91.

<sup>8</sup> This Decision was affirmed by this Court in a Resolution dated December 8, 2008, which is presently the subject of a Motion for Reconsideration which is yet to be resolved.

BSP-MB moved to reconsider<sup>9</sup> but the same was denied by the CA (Special 3<sup>rd</sup> Division) in a Resolution dated April 1, 2011.

Dissatisfied, BSP-MB filed the instant Petition with this Court, arguing that the CA (Special 3<sup>rd</sup> Division) gravely erred in issuing its assailed Decision and Resolution, and acted contrary to prevailing law and established jurisprudence, considering that:

I.

THE TRIAL COURT DID NOT COMMIT GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION IN DENYING THE NOTICE OF APPEAL FILED BY RESPONDENT BANCO FILIPINO. THE FILING OF THE NOTICE OF APPEAL BY RESPONDENT BANCO FILIPINO IS AN IMPROPER MODE OF APPEAL UNDER THE RULES OF COURT.

- A. UNDER THE EXPRESS PROVISIONS OF SECTION 1(F), RULE 41 OF THE RULES OF COURT, NO APPEAL MAY BE TAKEN FROM THE DISMISSAL OF THE SECOND AMENDED/ SUPPLEMENTAL COMPLAINT, CONSIDERING THAT THE CIVIL CASES REMAIN PENDING BEFORE THE TRIAL COURT AGAINST SEVERAL OTHER DEFENDANTS.
- B. EVEN ASSUMING THAT AN APPEAL MAY BE HAD FROM THE DISMISSAL OF THE SECOND AMENDED/SUPPLEMENTAL COMPLAINT, THE SAME MAY BE PERFECTED ONLY BY A RECORD ON APPEAL, AND NOT A NOTICE OF APPEAL AS ERRONEOUSLY DONE BY RESPONDENT BANCO FILIPINO, PURSUANT TO THE RULING OF THE HONORABLE COURT IN GOVERNMENT SERVICE INSURANCE SYSTEM VS. PHILIPPINE VILLAGE HOTEL, 438 SCRA 567 (2004)

II.

THE COURT OF APPEALS GRAVELY ERRED IN APPLYING THE DOCTRINE OF NON-INTERFERENCE IN THE INSTANT CASE, SINCE THE ORDER DATED 30 JUNE 2006 DISMISSING THE SECOND AMENDED/SUPPLEMENTAL COMPLAINT DID NOT VIOLATE THE SAID DOCTRINE. THERE IS NO CONFLICT BETWEEN THE ORDER DATED 30 JUNE 2006 OF THE TRIAL COURT AND THE RULINGS IN THE DECISION DATED 27 JANUARY 2006 OF THE COURT OF APPEALS IN CA-G.R. SP NO. 86697 AND THE RESOLUTION DATED 08 DECEMBER 2008 OF THE HONORABLE COURT IN G.R. NO. 173399 AFFIRMING THE LATTER.

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<sup>9</sup> *Rollo*, pp. 98-133.

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## III.

THE COURT OF APPEALS GRAVELY ERRED IN NOT DISMISSING THE RESPONDENT'S PETITION OUTRIGHT IN VIEW OF RESPONDENT BANCO FILIPINO'S LACK OF LEGAL CAPACITY TO FILE THE RESPONDENT'S PETITION, CONSIDERING THAT THE INDIVIDUALS WHO CAUSED THE FILING OF THE RESPONDENT'S PETITION AND VERIFIED THE SAME FAILED TO PRESENT THE REQUISITE AUTHORITY TO DO SO FROM RESPONDENT BANCO FILIPINO'S BOARD OF DIRECTORS.<sup>10</sup>

The petition is meritorious.

The CA (Special 3<sup>rd</sup> Division) erred in ascribing grave abuse of discretion on the part of the RTC when it disapproved Banco Filipino's Notice of Appeal. The filing of a Notice of Appeal was clearly an improper remedy to question the dismissal of an action against one of the parties while the main case is still pending.<sup>11</sup> Section 1, Rule 41 of the 1997 Rules of Court provides:

**RULE 41***Appeal from the Regional Trial Courts*

SECTION 1. *Subject of Appeal.* — An appeal may be taken from a judgment or final order that completely disposes of the case, or of a particular matter therein when declared by these Rules to be appealable.

While the foregoing rule states that an appeal may be taken only from a final order that completely disposes of the case, it does not stop there. The rule likewise provides for several exceptions, such that no appeal may be taken on the following instances, to wit:

- (a) an order denying a motion for new trial or reconsideration;
- (b) an order denying a petition for relief or any similar motion seeking relief from judgment;
- (c) an interlocutory order;
- (d) an order disallowing or dismissing an appeal;
- (e) an order denying a motion to set aside a judgment by consent, confession or compromise on the ground of fraud, mistake or duress, or any other ground vitiating consent;
- (f) an order of execution;
- (g) **a judgment or final order for or against one or more of several parties or in separate claims, counterclaims, cross-claims and third-party complaints, while the main case is pending, unless the court allows an appeal therefrom;** and
- (h) an order dismissing an action without prejudice.

In all the foregoing instances, the aggrieved party may file an appropriate special civil action for *certiorari* under Rule 65.

<sup>10</sup> Id. at 39-41.

<sup>11</sup> *D.M. Ferrer & Associates Corp. v. University of Sto. Tomas*, 680 Phil. 805, 810-811 (2012).

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In the instant case, while the RTC Order dated June 30, 2006 (which dismissed the civil case against BSP-MB on the ground of prescription, estoppel and lack of jurisdiction over their persons) is a final order because it terminates the proceedings against BSP-MB, it however falls within the exceptions in subparagraph (g). As mentioned, Rule 41 of the 1997 Rules of Court expressly provides for a remedy available to a party when the case is dismissed and the dismissal pertains to one amongst two or more defendants and the case as to the latter remains pending. This Court, laying down a definitive rule, held:

In *Jan-Dec Construction Corp. v. Court of Appeals* [517 Phil. 96, 105 (2006)], we held that **a petition for certiorari under Rule 65 is the proper remedy to question the dismissal of an action against one of the parties while the main case is still pending.** This is the general rule in accordance with Rule 41, Sec. 1 (g). In that case, ruled thus:

x x x x

In the present case, the Order of the RTC dismissing the complaint against respondent is a final order because it terminates the proceedings against respondent but it falls within exception (g) of the Rule since the case involves two defendants, Intermodal and herein respondent and the complaint against Intermodal is still pending. Thus, **the remedy of a special civil action for certiorari availed of by petitioner before the CA was proper and the CA erred in dismissing the petition.**<sup>12</sup> (Emphasis supplied)

The CA (Special 3<sup>rd</sup> Division), despite the express provision of the rules which was fortified by jurisprudence, still proceeded to apply the rule on final orders of dismissal with prejudice, which generally is appealable. Like all general rules, it admits of exceptions. The case at bar falls within such exception. Contrary to the ruling of the CA (Special 3<sup>rd</sup> Division), no grave abuse of discretion was committed by the RTC when it denied Banco Filipinos' Notice of Appeal for being a wrong remedy. Banco Filipino should have filed a petition for *certiorari* under Rule 65 to challenge the RTC Orders dismissing the civil case against BSP-MB.

In their petition, BSP-MB argue that even assuming that appeal is the proper remedy to assail the RTC's order of dismissal, the filing of a notice of appeal does not suffice to perfect Banco Filipino's appeal from the June 30, 2006 and September 20, 2006 Orders of the RTC. They assert that Banco Filipino should have filed a notice of appeal and a record on appeal within 30 days from notice of the assailed orders.

We do not agree.

Under Section 2(a), Rule 41 of the Rules of Court, "no record on appeal shall be required except in special proceedings and other cases of multiple or separate appeals where the law or the Rules so require." Multiple appeals can be taken in special proceedings, in actions for recovery of property with accounting, in actions for partition of property with accounting, in the special civil actions of

<sup>12</sup> Id. at 810-811.

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eminent domain and foreclosure of mortgage. More than one appeal is allowed in the same case to “enable the rest of the case to proceed in the event that a separate and distinct issue is resolved by the court and held to be final.”<sup>13</sup>

Obviously, the cases filed by Banco Filipino against CB-BOL, Jose B. Fernandez, Jr., Carlota P. Valenzuela, Arnulfo B. Aurellano, Ramon V. Tiaoqui and BSP-MB are not special proceedings cases but ordinary civil cases challenging the validity of Banco Filipino’s receivership and liquidation and seeking the annulment of the resolution of the Monetary Board of the then Central Bank ordering its closure. The consolidated cases do not even fall under the classification of “other cases of multiple or separate appeals” requiring a record on appeal.

To recall, the subject civil cases had as original defendants The Monetary Board of the Central Bank of the Philippines, Jose B. Fernandez, Jr., Carlota P. Valenzuela, Arnulfo B. Aurellano and Ramon V. Tiaoqui. Later, Banco Filipino substituted (CB-BOL) for the then Central Bank and its Monetary Board. Meanwhile, the defendants in the Second Amended/Supplemental Complaint were: CB-BOL, Jose B. Fernandez, Jr., Carlota P. Valenzuela, Arnulfo B. Aurellano, Ramon V. Tiaoqui and petitioners BSP-MB. When Banco Filipino sought to include BSP-MB as additional defendants, it raised a new and different cause of action not existing at the time the original complaint was filed. The original complaint arose from the alleged illegal closure of Banco Filipino effected by the CB while the Second Amended/Supplemental Complaint is founded on the alleged unjust and arbitrary acts committed by BSP-MB against Banco Filipino when it reopened in 1994. Since Banco Filipino has different and separate causes of action against the defendants in the consolidated cases, the trial court need not retain the records insofar as BSP-MB’s case if Banco Filipino decides to appeal the case, assuming it is the proper remedy.

Anent the CA’s (Special 3<sup>rd</sup> Division) application of the doctrine of non-interference, the same is mistaken. The CA (Special 3<sup>rd</sup> Division) enunciated:

Consequently, even as the propriety of the admission of Banco Filipino’s *Second Amended/Supplemental Complaint* is still subject to the outcome of the Supreme Court’s Decision on the Motion for Reconsideration filed by the Central Bank Board of Liquidators, it cannot be gainsaid that the court a quo’s assailed Orders denying Banco Filipino’s Notice of Appeal from the 30 June 2006 Order dismissing with prejudice the *Second Amended/Supplemental Complaint* would be tantamount to defeating the very essence of the Court of Appeal’s ruling in CA-G.R. SP No. 86697 allowing the admission of the said *Second Amended/Supplemental Complaint*. Clearly, the trial court cannot issue a contrary ruling to that of an appellate court regarding the same issue and involving the same parties. The court a quo, therefore, gravely abused its discretion when it issued its assailed Orders dismissing the Notice of Appeal by Banco Filipino which sought to question the dismissal of its *Second Amended/Supplemental Complaint*, as said orders in effect countermanded and interfered with the Decision of the Court of Appeals in CA-G.R. SP No.

<sup>13</sup> *Roman Catholic Archbishop of Manila v. Court of Appeals*, 327 Phil. 810, 819 (1996).

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86697. This we cannot countenance as it would lead to confusion and seriously hamper the administration of justice. (Underscoring supplied)

The doctrine of non-interference or judicial stability is a time-honored policy that mandates that “no court can interfere by injunction with the judgments or orders of another court of concurrent jurisdiction having the power to grant the relief sought by injunction.”<sup>14</sup> Simply put, a court cannot interfere with the judgment, order, or resolution of another court exercising concurrent or coordinate jurisdiction. The doctrine finds basis on the concept of jurisdiction: “a court that acquires jurisdiction over the case and renders judgment therein has jurisdiction over its judgment, to the exclusion of all other coordinate courts, for its execution and over all its incidents, and to control, in furtherance of justice, the conduct of ministerial officers acting in connection with this judgment.”<sup>15</sup>

In CA-G.R. SP No. 86697, the CA (17<sup>th</sup> Division) delved into the admission of the Second Amended/Supplemental Complaint filed by the Banco Filipino which sought to include the BSP-MB as additional defendants in the consolidated cases. It affirmed *in toto* the RTC’s Order admitting the Second Amended/Supplemental Complaint and ruled that BSP-MB may be impleaded as defendants in the subject civil cases since they are the successors-in-interest of CB pursuant to Republic Act (R.A.) No. 7653. It also stressed that the transfer of assets from the CB to BSP during the pendency of the civil cases raised Banco Filipino to the status of a transferee *pendente lite*. In CA-G.R. SP No. 98734, on the other hand, the CA (Special 3<sup>rd</sup> Division) determined whether the RTC acted with grave abuse of discretion amounting to lack or excess of jurisdiction in issuing the December 4, 2006 and March 21, 2007 Orders of the RTC disallowing Banco Filipino’s Notice of Appeal. Citing Section 1, Rule 41 subparagraphs (a) and (g), the RTC disapproved Banco Filipino’s Notice of Appeal from its June 30, 2006 Order whereby it dismissed Banco Filipino’s Second Amended/Supplemental Complaint with prejudice as to BSP-MB on the grounds of prescription, estoppel and that the personalities of CB and BSP are separate and distinct. In CA-G.R. SP No. 86697, the crux of the case was the propriety of admitting the Second Amended/Supplemental Complaint while in CA-G.R. SP No. 98734, the issue was the propriety of the remedy pursued by Banco Filipino, that is, the filing of a notice of appeal to challenge the RTC Orders dismissing its Second Amended/Supplemental Complaint.

The Court finds neither inconsistency nor incompatibility between the January 27, 2006 Decision of the CA (17<sup>th</sup> Division) and the December 4, 2006 and March 21, 2007 Orders of the RTC. It takes only simple logic and even common sense to say that Banco Filipino’s Second Amended/Supplemental Complaint has to be admitted first before it can be dismissed on the merits, as what indeed happened in this case. In fact, the Court views the RTC’s Orders dismissing the Second Amended/Supplemental Complaint as the RTC’s recognition of the CA’s (17<sup>th</sup> Division) pronouncement that the lower court’s admission of the Second Amended/Supplemental Complaint is proper. Thus, contrary to CA’s (Special 3<sup>rd</sup> Division) ruling, the December 4, 2006 and March

<sup>14</sup> *United Alloy Phils. Corp. v. United Coconut Planters Bank*, 773 Phil. 242, 260 (2015).

<sup>15</sup> *Id.*

21, 2007 Orders of the RTC do not run counter to the ruling of the CA (17<sup>th</sup> Division) admitting the Second Amended/Supplemental Complaint. More importantly, a ruling sustaining the RTC's Order dismissing Banco Filipino's Notice of Appeal cannot in any way affect, disturb, or contradict the CA's (17<sup>th</sup> Division) admission of the Second Amended/Supplemental Complaint. Clearly, the CA mistakenly relied on the doctrine of non-interference in reversing the December 4, 2006 and March 21, 2007 Orders of the RTC.

Finally, the BSP-MB contend that the CA should have dismissed outright Banco Filipino's petition for *certiorari* because of its flawed verification and certification against forum shopping. They claim that the Secretary's Certificate, which was belatedly submitted by Banco Filipino, showed that the Executive Committee authorized Executive Vice Presidents Maxy S. Abad (Abad) and Atty. Francisco A. Rivera (Rivera) to represent Banco Filipino "in the institution or in all stages of Civil Case No. 04-823 entitled Banco Filipino Savings and Mortgage Bank versus the Monetary Board, *et al.*" They posit that since the authorization did not come from the Board of Directors, Abad and Rivera cannot validly sign the verification and certificate against forum shopping on behalf of Banco Filipino. Resultantly, Banco Filipino's petition produces no legal effect and is dismissible.

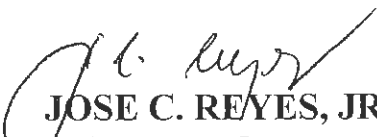
Time and again, we have held that a verification signed *sans* authority from the board of directors is defective. But where it is shown that strict compliance with the rules would not fully serve the ends of justice, the court may allow correction of the pleading if verification is lacking or even admit an unverified pleading. After all, verification of pleading is not a jurisdictional, but a formal, requisite and does not necessarily render the pleading fatally defective.<sup>16</sup> While the Court is inclined to treat the verification and certification against forum shopping attached in Banco Filipino's petition as sufficient compliance, it cannot, however, ignore the fact that the authority granted to Abad and Rivera is confined to Banco Filipino's representation "in the institution or in all stages of Civil Case No. 04-823," which specifically referred to its Petition for Revival of Judgment filed against The Monetary Board, Central Bank of the Philippines, now Central Bank Board of Liquidators, and The Monetary Board, Bangko Sentral ng Pilipinas.<sup>17</sup> Banco Filipino, however, failed to show that Abad and Rivera were also vested with authority to represent it before the CA and to sign the verification and certification against forum shopping attached in its petition. Hence, there being no substantial compliance with the requirements of verification and certification against forum shopping, the petition should have been dismissed outright by the appellate court.

<sup>16</sup> *Swedish Match Philippines, Inc. v. Treasurer of the City of Manila*, 713 Phil. 240, 248 (2013).

<sup>17</sup> Banco Filipino's Petition for Revival of Judgment has already been dismissed for lack of merit in "*Bangko Sentral ng Pilipinas v. Banco Filipino Savings and Mortgage Bank*" G.R. Nos. 178696 & 192607, which was decided by this Court on July 30, 2018.

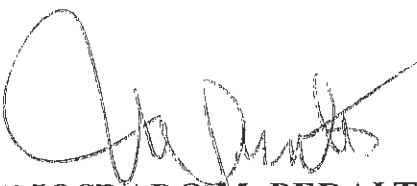
**WHEREFORE**, the petition is **GRANTED**. The Decision dated November 25, 2010 and the Resolution dated April 1, 2011 of the Court of Appeals in CA-G.R. SP No. 98734 are **REVERSED** and **SET ASIDE**.

**SO ORDERED.**

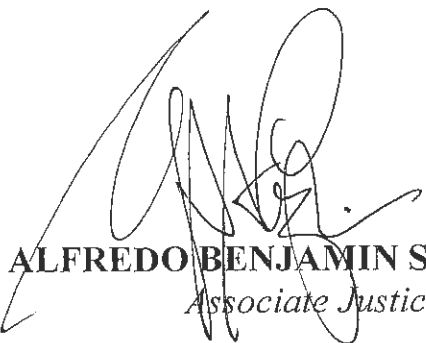


**JOSE C. REYES, JR.**  
*Associate Justice*

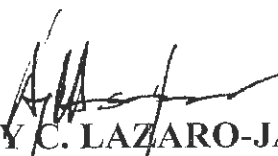
**WE CONCUR:**



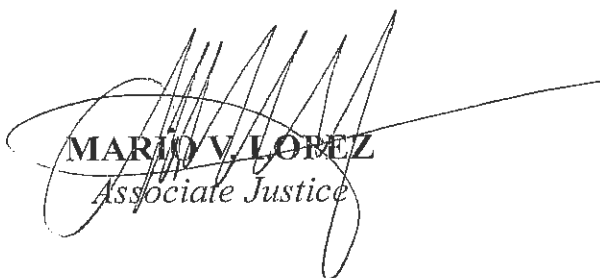
**DIOSDADO M. PERALTA**  
*Chief Justice*  
*Chairperson*



**ALFREDO BENJAMIN S. CAGUIOA**  
*Associate Justice*



**AMY C. LAZARO-JAVIER**  
*Associate Justice*



**MARIO V. LOREZ**  
*Associate Justice*

**CERTIFICATION**

Pursuant to Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



**DIOSDADO M. PERALTA**  
*Chief Justice*

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